

Why Mutualism and not Communism?

This Bear Eats Fascists

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Lots of people don't know what Mutualism¹ is or why a person who opposes Capitalism and the State would choose it instead of Communism or Democratic Socialism. While there are many great resources out there, this essay will explain some of the basics at a high level. So what is Mutualism? Buckle up.

What is Mutualism?

Mutualism is a radically decentralized market-based form of socialism. In a mutualist economy, corporations do not exist, businesses are owned collectively by the people who work in them, and public services (water, power, internet, etc) are owned by the communities they serve. And, of course, any person who wants to work for themselves and be a collective of one is free to do so.

Both businesses and public services are run democratically by the workers based on peer management, just as thousands of already-existing worker-owned cooperatives do. In the case of public services, the community being served decides what to do and the workers decide how to do it. In fact, American Mutualists were the early drivers of the movement for worker-owned cooperative businesses and the success of those businesses – which consistently pay better wages, have better conditions, and give more back to the community – is a validation of Mutualist praxis. Many thousands of working class people have better lives because of this legacy.

Because there are no bosses or shareholders, workers can pay themselves the full value that their labor produces. As Connolly put it “profits are the unpaid wages of the working class.” Capitalists call these unpaid wages “surplus value” and the systematic theft of this surplus value from the working class is one of capitalism's great crimes. In mutualism, the systematic theft of surplus value by capitalists, is ended.

Instead of being reliant on Capitalists for start up capital for new businesses, Mutualists have traditionally relied on credit unions – Proudhon actually invented the first Credit unions and other Mutualists refined the idea considerably from there. In fact, the prevalence of Credit Unions in North America (where Mutualism has traditionally been strongest) is one legacy of mutualism. You'll notice that many of the largest credit unions are owned by labor unions, and that's not a coincidence. Once upon a time the Western Federation of Miners (one of the unions that eventually merged to form the IWW) owned a whole network of stores and supply lines, run as mutualist cooperatives, to make sure the miners had access to good quality fresh food even in remote mining towns and to keep people fed during strikes. In this and many other examples, mutualist and syndicalist tactics and structures have been complementary and mutually supportive historically.

Back to credit unions, the original mutualist credit unions were created as a way for worker's and artisans to pool funds and provide financing to start new worker owned businesses – or to buy and convert existing ones. In this way, mutualists hoped to literally buy the means of production from the capitalists and supplant them, without ever needing to fire a shot or spill a drop of blood.

In mutualism the most important – and only valid – form of social organization is the voluntary and mutually beneficial contract or agreement freely entered into by two or more persons.

¹ The word mutualism also refers to a principle in evolutionary biology where two or more organisms interact in a way that benefits them both. This seems entirely appropriate to me.

Once agreement is reached it is binding, but no one can be made party to an agreement without their consent. This idea of free contracts reshapes everything else because it forces all social institutions to be redesigned based on voluntary unions.

Technology and the Market

Like all forms of Libertarian Socialism, a mutualist economy has no system of copyrighting. Technology and scientific knowledge were created collectively across generations and each new work builds on those before it so claiming to own knowledge is an act of theft. In mutualism and all other forms of libertarian socialism, technology is open sourced. Competition in a mutualist market is therefore based on craftsmanship, skill, levels of service, relationships, etc – not monopolistic patent laws that distorts the market by imposing barriers on the free transfer of knowledge.

Because Mutualism is market based, supply and demand mechanisms determine what is produced – there is no need for central planners as there would be in a communist economy. But these supply and demand mechanisms are designed to take the whole cost – including the ecological cost – of manufacturing into the cost equation, something Capitalism and Statists socialism have both failed to do. Also unlike capitalism, the supply and demand mechanism in a mutualist economy is not subject to constant manipulation by the State or by Corporations because neither exists.

Eliminating these distortions of the market also eliminates many of the barriers to entry. For example, in the United States one cannot even apply for a license set up a radio station without being able to prove you have tremendous cash reserves. In a mutualist economy all you need is an open frequency and an antenna. The impacts on freedom of speech and of the press cannot be overstated. The marketplace of ideas is freed at the same time and by the same means as the economic market.

Now personally, I think it's valuable to bring in some elements of Anarcho-syndicalism. I love the idea of industry-wide worker-run and directly democratic labor organizations that handle training and certification, establish best practices and safety guidelines, develop standards for implementation, and train people on new technology as it is developed. In many countries and industries labor unions already play these roles and it is valuable. Syndicates can also provide dedicated funding for scientists and researchers working to advance their fields, and act as sponsors for the credit unions that provide financing for new businesses and public works.

But is it Socialism?

Now some people hear the word “market” and will immediately jump to “that’s not Socialism!” because decades of cold war propaganda have conditioned American’s to think Socialism means “government does stuff.”

In point of fact, Mutualism predates both Marxism and Anarcho-communism and is one of the oldest schools of Socialism. The core principles were developed by Proudhon, who invented “Anarchism” as an ideology. Benjamin Tucker – an American mutualist – was a founding member of the First International, the first global socialist organization (Proudhon was invited to join by Marx, but rejected him because he wanted nothing to do with Marx’s authoritarian version of

socialism.). So yes, Mutualists are socialists and have been part of the global socialist movement since before Marx. In fact, the traditional definition of socialism was a society where the means of production are owned by the working class – not the State. From this lens, it is Marxist-Leninism and it's various that are not socialist. Many libertarian socialists refer to these economies as State Capitalism for this reason.

So why Mutualism and not Communism?

Without a State to plan the economy, Communism doesn't scale. Most tribal societies across history practiced some version of what Marx called "primitive Communism." What Marx and the early communists missed was the concept of social currency.

There's a whole tangent about how incredibly racist and inherently imperialist the enlightenment view of history (in which Marxism is rooted) is. Indigenous people are not less "advanced" than industrial Capitalist or Marxist societies that destroy the earth and render the vast majority slaves. The dialectic view of history that frames more advanced societies destroying less "advanced" as a form of progress is wildly racist. Engels made this explicit in several of his essays, directly calling for the extermination of less "advanced" nations. In *The Magyar Struggle* (1849) he wrote "The next world war will result in the disappearance from the face of the earth not only of reactionary classes and dynasties, but also of entire reactionary peoples. And that too is a step forward." This rhetoric directly prefigures the horrors of so-called National Socialism. Rejecting this view of history is essential for anyone seeking liberation. It cannot be salvaged.

Back to the concept of social currency, in anthropological terms a social currency is not a physical currency that is exchanged. It's the way people in small societies based on mutual aid – whether tribes or villages – keep track of who helps and who is a freeloader. Freeloaders may be tolerated in the short term, but they will rapidly be encouraged to contribute to the general welfare, especially in times of scarcity. Those who do not respond to polite hints will find the reminders get more forceful. Eventually culminating in eviction and exile. So the gift economy is actually a market economy, with transactions tracked in social currency. (Note that in most gift economies that aren't facing extreme scarcity, disabled people and the elderly are not treated as freeloaders and are cared for and contribute as they are able.)

This sort of social currency, which is required in order to make the gift economies of so-called "primitive" communism work, is only possible in small communities where everyone knows each other and can easily mentally track who contributes what. The moment you scale up to towns or cities, gift economies break down.

Physical currency, voting, chieftains, kings, and States all fill that void in various ways. While you can't easily track your social currency exchange with the million other people in your city, a person can track that exchange with an elected official, king, or a government. In other words, the concept of legitimacy in government is essentially a type of social currency. A "legitimate" system of governance is one where the majority perceives the maintenance costs (including taxes and obligations) as being worth it for the security or services they receive. Modern fiat currencies that are not backed by any physical asset but on people's belief in the stability of the State make this explicit. We believe that the dollar has value and that the numbers in a computer somewhere saying the billionaires have a lot of them are accurate, and so it is true. But it is essentially a faith based system.

The currency of a mutualist economy would likely be entirely different. Labor vouchers worth an hour of time, issued by various cooperatives and syndicates, are one model that has been used historically. The use of valuable and portable trade goods such as cacao beans or various precious metals as currency pre-date States by thousands of years and will likely be part of the mix. Since there is no central bank or issuing authority, we can expect a mutualist market to have a mix in currencies that varies from one region to the next. Such mixtures of currencies have been common historically, especially along trade routes. Critically, having currency with inherent value means it is not subject to inflation.

The only scenario where currency stops being necessary is in a post-scarcity economy. Kropotkin & the other early anarchist communists believed we were rapidly approaching post-scarcity. The Conquest of Bread essentially argued that once we got there stateless Communism would be the natural result.

Now Kropotkin was a very smart guy and got a lot of things right – his work on mutual aid as a principle in evolution is essential reading – but he was wrong to believe a post-scarcity society is actually possible. We live on a finite planet so there will always be scarcity – especially since animal populations expand in situations of abundance until there is scarcity again – just look at human population growth since the green revolution!

So we'll never achieve full post-scarcity. The moment you have scarcity, you need trade. The moment you have trade, you have a market. Having a market means you have currency. It doesn't have to be a state-backed currency, but it will exist, even if it's just cowry shells. This is why markets, whether formal or informal, have been a critical part of every attempt at creating a planned economy in history.

Social welfare and disability

One area where communism has obvious appeal is the promise that everyone would have their needs met. In a society where one does not have to work to earn money and can simply take what they need, disabled or elderly people are taken care.

They are also completely at the mercy of the collective in situations of scarcity such as famine or disasters.

In a mutualist economy, the ability to save some portion of your work output over your lifetime means that saving for retirement is possible and the individual need not be left entirely at the mercy of the collective. Because there is no inflation in an economy based on real currencies, the value of those savings would not be constantly shrinking. Because in mutualism workers pay themselves the full value of their labor since there are no bosses or owners to steal surplus value, they would also have a lot more money to save. In combination with pensions funded by the various collectives and industrial syndicates, retirement in a syndicalist society looks a lot more stable than retirement in modern America where you get a 401k that throws your life savings into the rigged roulette wheel of a capitalist stock market if you're lucky, and get nothing at all otherwise.

Support for disabled people can be handled a number of ways. Many people are fond of the idea of a universal basic income funded by the set of cooperatives in a given area but other types of voluntary mutual aid can also be effective. And, of course, most disabled people are capable of contributing something if society is willing to value what they can give. A world where all

the accumulated knowledge of humanity to free to anyone to access makes it much easier to find a vocation that is compatible with one's limitations. Steven Hawking and Hellen Keller were able to contribute to humanity in powerful and profound ways despite disability because they came from families with the financial resources to let them act on their abilities instead of being defined by their disabilities. In a mutualist society, everyone has that chance.

Planned economies and the State

Imagine you work in a train factory. Unless you manufacture every part of the train in-house, you need parts from other manufacturers. Those supply chains get long and complex. In Mutualism, supply and demand solves this. In Communism, someone has to map and plan the whole thing. And if you have some hobbyist who walks into the supplier and takes a bunch of critical parts for something unrelated because there's no supply and demand in anarcho-communism and everyone takes what they want, your whole factory is sitting idle, the trains don't get delivered, and entire cities come to a halt.

You simply cannot have an industrial society without a control mechanism on who takes what when.

These issues weren't a problem in the artisan-based economy (where people built everything in-house) that existed when Kropotkin was writing. They are critical now.

Communism in a modern economy requires a planned economy, which means a State in fact if not name. Every version of Statist Socialism with a planned economy that has been tried resulted in scarcity for the majority and privilege for the party elite. That's not just corruption, it's the fact that planning an economy is an incredibly difficult thing to get right and even small errors can have unforeseen ripple effects that result in mass starvation. Unsurprisingly, the one thing planners have historically been consistently good at is providing for themselves.

Even in Anarchism, it's a serious problem. For example, AnarchoSyndicalism turns this planning over to workers councils. But a workers council that plans the local economy & decides who will get what where when quickly turns into a technocracy, an economic dictatorship even less accountable than a liberal democratic State because the society at large has no mechanism to question their decisions. Sure the worker's syndicate they represent may recall them – but the impacts of their planning in a complex modern economy reach far beyond their own syndicate and the larger society that is impacted has no feedback mechanism.

In other words, the only way to make Communism scale on a finite planet where there will always be scarcity is to introduce planning by a minority, which means re-introducing hierarchies of power and access and creating an economic dictatorship. Communism is therefore inherently authoritarian.

So if you want stateless socialism in a world where trade, currency, & markets will always exist (and they will – including in every ostensibly “communist” country in history), the only real option is mutualism.

And that is why, after decades of study, I gradually moved away from AnarchoCommunism and Syndicalism and became a mutualist.

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